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Housing for the Middle Class

By Donald and Astrid Monson

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Housing for the Middle Class

Donald and Astrid Monson

Grandpa and Grandma had to struggle along through life without television, an automatic washing machine, or a Mix-master, but their home was probably bigger, lasted longer, and cost less than the product available to their progeny in the postwar world. Sixty years ago a respectable middle class family could buy a twelve-room home containing some 3,500 square feet of floor space and complete with turrets, gables, verandas and a hundred-foot lot for around \$7,000. Today the same price buys a four-room "home"—if one can call it that—with between 650 and 700 square feet of space, a forty-foot lot, and a picture window.

The traditional explanation of this phenomenon is the failure of the housing industry to adopt modern mass production methods. "Housebuilding is the one great sector of modern society," says *Fortune* magazine, "that has remained largely unaffected by the industrial revolution. Recognition of the feudal character of the housing industry is essential for understanding its sorry performance in the past and assessing its chances for improvement in the future."

The Dream of Mass Production—the Prefabricated House

And so we have been hoping vaguely that someone would come up with the answer to the housing problem—a mass-produced home adequate in size, satisfactory in construction, and at a price the average family can afford.

Four years after the end of World War II we are still waiting for that postwar dream house. There have been a number of prefabricated houses developed, to be sure, and some of them compare favorably with conventionally built homes in the same price range. The enameled steel Lustron House, developed with the aid of \$35,000,000 in Federal subsidies, is available nationally—where building codes permit it to be

built. Containing 1,000 square feet, including a utility room but no basement, it sells for \$10,200 in the outskirts of the Detroit area, including lot. R. Buckminster Fuller's widely publicized igloo-shaped "Dymaxion House," hailed as the first completely mass-produced home, never got to the production stage. Within recent weeks U.S. Steel has announced a prefabricated basementless plywood house to sell for around \$6,000 with 672 square feet of floor area—a space standard too low for family living. Tighe Woods' recently announced three-room 551 square foot house designed to sell at \$6,750 did not receive much favor in the press.

The Conventional vs. the Prefabricated House

The sad fact is that although there are many types of prefabricated homes being built today, none of them has as yet been demonstrated to be appreciably cheaper or better than

The Authors

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Mrs. Monson was for four years Senior Social Economist for the Detroit City Plan Commission and for the past year has been doing the same job with the Detroit Housing Commission. She has been working with the Schoolcraft Gardens group also, primarily on organization and membership work.

Mr. and Mrs. Monson took four months off last year to take a trip to Europe to study housing and city planning trends there, with particular reference to the role of the co-operatives. They spent a month each in Sweden and England, and shorter periods in Denmark, Finland, Holland and France. Their findings have been published in a series of articles in the *Journal of Housing*, the *Journal of Land Economics*, the *American City*, and other periodicals.

the conventionally built house. This is partly because building code restrictions and the opposition of building trades unions have kept them from achieving a high enough volume of production to achieve a low price. The Lustron Corporation, for example, had put out only 1,253 units as of July, 1949.

But this is not the whole answer. The conventional house-building industry has quietly been going through a minor industrial revolution of its own. The great majority of the items that go into a home are already "prefabricated." Large-scale builders—and in most urban areas they are setting the pace and determining the competitive price—have developed modern methods of site assembly in which specialized crews of workers move from house to house on schedules as carefully worked out as those of any factory. As a result, their costs are as low as those of the prefabricated house.

Almost the only item not "prefabricated" in the typical small home is the shell of the house, and it is precisely at this point that the prefabricated houses now on the market are weakest. No one has yet invented a satisfactory brick-laying machine, nor found an outer wall covering as satisfactory as brick.

This is not to say that the conventionally built house is inherently better or cheaper than the mass-produced home. Such plans as Walter Reuther's proposal for the use of unused airplane factories for the production of mass-produced homes, combined with the unprecedented opportunity for technical research which the Housing Act of 1949 provides, may within a relatively few years develop a process to give us the cheap, mass-produced house of which we have been dreaming. But it is important to point out that the mass-produced house is not a panacea and that the actual savings derived from the decrease in the cost of the house as such will be only moderate. Costs of promotion, distribution, transportation, and the still necessary site labor, together with the manufacturer's profits on the house, may to a considerable extent cancel out the savings possible through mass production.

The Reduction of Housing Costs

Is this, then, to say that the average American family cannot hope to live in a home which meets more than the barest minimum standards of livability? The answer is emphatically "NO!" But to solve our problem we have to do more than just reduce the cost of the house. We have to reduce the cost of housing, which is a much more complex problem but which opens up far greater possibilities for savings. When interest, taxes, maintenance, and depreciation costs are taken into account, the capital cost of the house is only a fraction of the total shelter costs paid by the average family in a lifetime.

What can be done? A great many things are possible:

1. Further progress must of course be made in the organization of the building industry along rational lines and in the improvement of building methods and techniques, in order to reduce the capital costs of the house itself.

2. We must find ways of reducing the cost of the land on which the house is built, by eliminating wasteful subdivision practices, uneconomic planning of streets and utilities, and land speculation and profiteering. This, in turn, will reduce the costs of city services and will make it possible in time to lower the high property taxes which now form so great a portion of the monthly housing cost.

3. We must find ways of reducing the costs of money, of decreasing the interest rate which over the years nearly doubles the original cost of the home. With mortgage risks taken by the Government, a reduction in the present rates of interest seems to be justified.

4. We must find ways of lengthening the useful lives of the homes we build so that they do not begin to deteriorate, both physically and in terms of the surrounding neighborhood, long before the mortgage is paid off. This will make possible longer amortization periods and lower monthly costs, although it must be admitted that as amortization periods lengthen the increased total interest reduces the apparent monthly savings.

5. We must find new forms of organizing home-building, such as the limited dividend rental corporation and the non-profit cooperative.

The Housing Problem of the Middle Income Group

Many of these possibilities will be discussed in further detail. First, however, it seems necessary to analyze our problem, delimit our field, and define our goal. We are not discussing here the problems of the "custom built" home for the 28 per cent of our families who had, in 1948, annual incomes of \$4,500 or more each. These families can afford the \$12,000 and up houses and the \$90 and up monthly rentals which are available on the market in ample quantities.

Nor can we pretend to have a solution for the low income groups who comprise the 36 per cent of our nation's families with incomes of less than \$2,500 a year.* In the depression of the 1930's the plight of this "third of a nation" was discovered and a beginning made toward a program of slum clearance and low-rent public housing, but it was not until June 28, 1949, that the House of Representatives, by a vote of 209 to 204, finally joined the Senate in passing the Housing Act of 1949 and recognizing as a goal "a decent home and a suitable living environment for every American family."

What we are talking about here, however, is the problem of the middle income groups—the 36 per cent of our families who in 1948 earned between \$2,500 and \$4,500 a year. These families are the forgotten third—too well off for public assistance or subsidy, too poor to compete in the private market for housing meeting more than minimum standards of livability. They hold the political balance of power in our country and accordingly will greatly determine the kind of nation and world in which we are going to live.

The Middle Income Group and Public Housing

It is important to understand the political role the middle income groups play. When they are secure, progressing and satisfied, they can become the kind of socially responsible,

*Another article in this issue describes the approach of church people in Chicago to the housing problems of this income group.

slightly left-of-center people we find in the Scandinavian countries, where individual initiative and social controls are blended for the greatest prosperity and security of all. When, on the other hand, they are resentful, insecure, and fearful, they are the raw material of fascism. Particularly where housing is concerned, it would be socially undesirable and politically unrealistic to expect the middle income groups to subsidize housing projects for those poorer than they are when as a result they see these subsidized families living in better housing than they themselves can afford. Under these circumstances generosity changes to bitterness and social conscience to envy.

For these reasons, and with the passage of the Housing Act of 1949 after five years of struggle against the real estate and mortgage banking interests, the attention of housing-minded groups turned to the problem of making better housing available to the groups above the income levels eligible for public housing. It was obvious that the bulk of the members of labor, veterans, church and other organizations supporting the Act could not hope to benefit directly from it. It was also obvious that it was impossible to subsidize everybody. A way had to be found to enable the middle income family to secure good housing—and pay for it without subsidy. If our housing industry was so inefficient that it could not meet the needs of the skilled workers and the white collar groups, having already demonstrated that it could not serve the low income groups, something, it had to be admitted, must be wrong.

The Postwar House and the Middle Income Family

Something was wrong. Not that a great deal of housing wasn't being built, and a considerable portion of it at prices which at least the upper segment of the middle income groups can afford. We are in the midst of the greatest building boom since the 1920's, and hundreds of thousands of homes a year are being built for and bought by these very families. Various improvements in the building process have been developed since the war; down payments, especially to veterans, are not

as high as they used to be; monthly payments are often reasonable.

But the results are not impressive. The typical postwar home is smaller than its counterpart ten years or a generation ago. It is not very well built and is poorly planned for family living. It is usually located in a subdivision laid out in an unimaginative, monotonous rectangular plan no different than those of fifty years ago. It looks like all the houses in the block and not very different from all the other houses built since the war. Alleys which will soon be unsightly are at its back, a driveway is at either side, and a street, usually carrying automobile traffic through the entire neighborhood, is at its front. Its garage takes up most of the "back yard." It is usually in an outlying part of town and often is served by inadequate public transportation, overcrowded schools, and few community facilities of any kind. For this, millions of families have invested their entire savings and are struggling, and will continue to struggle every month for some twenty-five or thirty years, to meet the payments.

Perhaps the most serious defect of the postwar \$7,000-\$10,000 house is its size. If it has two bedrooms, its floor space is probably somewhere between 650 and 900 square feet; if three, between 800 and 1,000. But homes of this size are too small for comfortable family living. Two-bedroom homes should have at least 950 square feet and three-bedroom dwellings, 1,200. No combination of picture windows, tiled bathrooms, or other "modern" features can make up for the physical and psychological effects of inadequate space. Yet virtually every "solution" to the problem of high housing costs has been simply a reduction in the size and amenity of the home, usually with little or no corresponding reduction in cost.

Housing Standards for the Middle Income Group

The greatest mistake we can make is to lower our already inadequate space standards to bring the capital costs of the house down to a lower level. Without reform in the other

factors leading to the high costs of housing, we will in the long run merely defeat our purposes and end up with an even smaller house at no appreciably lower cost.

What, then, should be our goal? It would seem that the average family has the right to demand that in the light of our advanced technological resources its home meet the following requirements:

1. It should be of adequate size for relaxed, gracious family living, with no two-bedroom home having less than 950 square feet and no three-bedroom home, less than 1,200 square feet.

2. It should be of sufficiently substantial construction to last at least fifty years with reasonable maintenance, and should be well-planned and equipped with the basic essentials of comfortable living, though not necessarily with all the gadgets shown in the magazines.

3. It should be so placed in relation to its neighbors and to streets, parking space, and walk-ways as to give ample light, air, sun, view, and privacy.

4. It should be in a neighborhood provided with easily and safely accessible schools, play areas, parks, shopping and community facilities.

5. The neighborhood should be so planned as to maintain its desirability as a residential area for the life of the house and longer.

6. The required down payment should be not more than 15 per cent of the family's annual income and the monthly costs, including taxes, maintenance, and utilities, should be not more than 25 per cent of the family's monthly income.

The capital costs of homes embodying these requirements will not be low. Under present mortgage financing provisions, they would be out of reach of the middle income group except under very unusual circumstances. In the light of our sixth requirement above, we are asking for a home available for a down payment of between \$400 and \$700 and with monthly costs of between \$52 and \$94, including heat, light, gas, taxes, insurance, and payments on principal and interest.

Reduction of Housing Costs—the House Itself

Why has housing cost so much and what can be done to

bring the kind of homes we want within the means of the average family?

Most research on improvement in the house-building industry has emphasized reduction of capital costs. The Producers' Council, an organization of building materials companies, working with the U.S. Department of Commerce, has achieved considerable success in standardizing building material dimensions and thus achieving substantial savings. The 1949 Housing Act carries provisions for further research in building techniques and provides money to support research in improving methods, simplifying building codes, and other aspects of the production of the house. We can look to continued improvement in this field.

But savings in the construction cost of the house are not enough. In the long run, if we are to achieve our goal for the average family, savings must be made in each element in the cost of housing—land, taxes, interest rates, monthly amortization, depreciation, and other factors. And it is precisely at these points that the consumer can make a contribution through his organized purchasing power, whereas as a layman he is unable to do much about rationalizing the building industry.

Land Costs, Property Taxes, and City Planning

The actual cost of land for an urban house usually amounts to between 8 per cent and 12 per cent of the cost of the complete home. This may not seem like a promising field for substantial consumer savings, but a closer look will reveal that not only can the land cost be reduced by better site planning but the indirect results of our present poor land planning are far-reaching in terms of high taxes for municipal services and premature obsolescence and depreciation. The house which is sited across from a factory or next door to a junk yard—and in many suburban areas zoning restrictions do not prevent this—or faces on a busy traffic street, will depreciate in value faster than the mortgage is paid off. The costs of municipal services such as police, fire, schools, and recreation, may be too

heavy due to bad neighborhood layout. Costs of street and alley paving, sidewalks, sewers, and water mains in the typical subdivision are from 30 per cent to 40 per cent higher than necessary. All this is reflected both in higher costs for the land and in higher taxes.

In the United States today, city expansion—which provides the sites for most new middle class homes—is largely without plan or effective control, and is left to the initiative of the land speculator. As each speculator is in the business of achieving the maximum sale of individual lots, he will try to secure the development rights to a likely piece of land on the periphery of the city and try to persuade as many prospective home owners as possible to buy lots from him, or he will build a group of houses and try to sell them off as quickly as possible. As our cities grow they soon get to the point where the speculative process produces a thinly scattered development all around the parent city. This fringe development is not dense enough to support efficient public services such as roads, schools, sewers, etc. For a time the householder thinks the absence of "city taxes" a boon, until he is confronted with assessments for sewers, streets, water mains, etc., and finds himself paying heavily in time and money for long trips to his job or in high insurance rates.

Even after the suburban area is taken into the city or incorporated as a separate municipality, the results are still with us. There are too many miles of streets, utilities, and service routes for the number of families actually living in the area. Vacant "sleeper" lots do not carry their share of city taxes and throw an added burden on the householder. The fact that these unplanned suburban accretions constantly disrupt the metropolitan area's transport, road and sewer systems means constant demands for higher taxes from the householders, or ever poorer city services.

The Control of Land Speculation

The remedy obviously lies in recognizing that city expansion

is a public function to be controlled by the elected legislative body of the urban metropolis. In Sweden, Stockholm has achieved this control by the municipality's acquiring huge land reserves all around the city. As the city expands, the proper city agency makes plans for a suitable number of neighborhoods, providing for the needs of housing, stores, parks, schools, industry and transport on the most efficient basis possible. The land is then leased to private builders, cooperatives, the city's own building agency, industry, commercial firms, and the like. This process ensures orderly economic expansion according to plan and makes for lower costs for city services.

In the United States, the first substantial recognition in law of the problem of planning city expansion is found in the Housing Act of 1949, which makes available to municipalities Federal loans to buy up vacant land at their peripheries and to put in the necessary streets and other public facilities in advance of their development. The city can plan the development and



This model shows a part of the townplan of Arstaterrassen in Stockholm, Sweden, where the Tenants' Savings and Building Society has been able to modify the previous plan in order to make the houses fit in better.

then sell or lease the land to home builders, factories, stores, and the like, repaying the loans from the proceeds and from the taxes collected. Should a "rural slum" exist—as is often the case just outside the political boundaries of our cities—the Act permits its clearance and redevelopment on the same terms as slums in the city's heart, with the Federal government granting the city two dollars for each dollar put up by the city.

The three "Greenbelt" towns outside of Cincinnati, Washington, and Milwaukee were examples of how well-planned "new towns" can be built outside of our present great cities.

Site Planning and Housing Costs

When the general pattern of the metropolis is in order, we come to the question of site planning. Most of our newer subdivisions are built on a monotonous gridiron pattern which results in at least one-third excessive pavement costs. The innumerable cross streets result in every street being a traffic street and every corner a traffic hazard. However, the gridiron results in the maximum number of salable lots—the chief thing the speculator is concerned with.

New techniques of city and neighborhood planning are widely known but seldom used in our middle-income neighborhoods. The way to utilize them is to substitute for the present control of city planning and zoning agencies by real estate dealers and land speculators, majority representation by socially responsible citizens. Where there are no such planning agencies, they should be organized. United States city planning has not faced up to these problems. The fault lies largely with the lack of understanding on the part of the middle class professional and business people of the issues involved, and their willingness to leave the function of city planning to the real estate groups. The price in high land costs, high taxes, and early depreciation of their homes is considerable.

The Reduction of Interest Rates

The next broad area in which housing costs can be reduced

is in connection with interest rates. Under present home financing the interest cost, at $4\frac{1}{2}$ per cent plus $\frac{1}{2}$ per cent mortgage insurance, for a thirty-three year \$10,000 mortgage is over \$8,000. This is an average monthly cost, for interest alone, of over \$20. If the monthly interest cost can be reduced \$10, the same house is available to a much larger segment of the population. Each reduction of $\frac{1}{2}$ per cent a year on the interest rate means an average monthly saving of over \$2 for the life of the mortgage.

The justification for a reduction in the interest rate is obvious from an examination of the mechanics of mortgage financing. Interest is proverbially the reward capital receives for taking risk. At the present time, the risk for an insured mortgage is taken by the Federal Housing Administration, and the borrower pays an extra $\frac{1}{2}$ per cent a year on his loan, to pool that risk. Therefore, the only function the bank or other approved mortgagee performs is to process and collect payments on loans from a large number of individual mortgage holders. Where the mortgage is for a large rental development or a cooperative housing group, where only one payment is made each month for the entire development, the function performed by the lender is very nominal. Hence, it is argued, the savings should be passed on to the consumer in the form of an interest rate of $2\frac{1}{2}$ per cent to 3 per cent instead of $4\frac{1}{2}$ per cent or 5 per cent as at the present time. If private lending agencies are not willing to do this, loans should be made directly by the Government at the cost of the money to the Government plus the cost of mortgage insurance and administration.

Lower Monthly Costs Through Longer Amortization Periods

Another avenue to lowered monthly costs is the lengthening of the amortization period. Obviously the present twenty-five, thirty, and thirty-three year mortgages on individually owned homes are about as long as it is possible to make them. If the object of home ownership is some day to own one's home "free and clear," the lengthening of the mortgage period beyond

these makes it improbable that most home purchasers will ever "own" their homes. If, however, we modify our concepts of home ownership to the ownership of occupancy rights and the privilege of transmitting those rights to our children, the way is opened to a lengthening of the amortization period beyond the probable lifetime of any one owner. We must recognize that a great many home "owners" may never get their homes entirely paid for. Of the homes owned by non-farm families in 1949, the Federal Reserve Board found that only 9 per cent had been purchased before 1920. Thirty per cent had been owned less than three years, 58 per cent less than ten years, and 75 per cent less than twenty years. In metropolitan areas, 56 per cent of the homes were mortgaged.

Extension of the period of amortization, with consequent decline in the monthly payment, is justified only if the house is better built and hence able to last longer than the proposed mortgage. To achieve this it may be necessary to increase the original cost of the house by building it of more enduring materials and to a higher standard of amenity. For instance, the writers noticed in Sweden the universal use of tile for roofs, even on small cottages. When the expense was questioned, we were told that tiles were the cheapest roofs as they lasted the longest and required the least maintenance. Since Swedish homes are expected to last seventy to a hundred years, these factors were considered more important than first cost.

If housing is to last longer it must also be better planned, with as much attention paid to the space relations between buildings—which is architecture—as to the standards themselves. Raising a neighborhood to the level of a work of art itself is the surest way to cause it to endure. The gracious villages of New England, or Washington's Georgetown, are prized places of residence to this day.

Obstacles to Cost Reduction—Orientation of the Industry

What are the obstacles to the utilization of some of the pos-

sibilities sketched above for the lowering of housing costs to the consumer? At the present time the building industry is organized on a quick turnover basis. The builder puts up a house and hopes to sell it before the plaster is dry. Under Section 608 of the National Housing Act the construction of rental housing has been reduced to almost the same formula, the builder having little or no equity in the project and thus being able to unload, at no personal loss, at the first sign of heavy economic weather.

The result of this orientation of the industry is that great stress has been placed upon getting the "sale price" down, without regard for maintenance costs or the long-term value of the property. Currently, in an attempt to reach a lower income bracket, the Federal Housing Administration is urging the construction of the substandard "economy house" and the "efficiency apartment." What these will be like twenty years from now is a nightmare that haunts many a sober student of housing.

The home building industry has been said to be disorganized. This is true in terms of production but not in terms of politics. It was the real estate and builders' lobbies which blocked Federal housing legislation for years and which have hamstrung rent control. Production organization is in the hands of the Federal Housing Administration and the Housing and Home Finance Agency of which the Federal Housing Administration is a part. The Federal Housing Administration has had as its purpose the furthering of the interests of the industry as presently constituted.

The Federal Housing Administration

With this orientation, it is no surprise that Federal Housing Administration standards have progressively fallen as the industry has glutted the upper-income market and felt the need of reaching down into the middle income brackets. Statistics showing more units built are the measure of the Federal Hous-

ing Administration's success and, when building starts took an alarming drop in 1948, some device had to be found to induce the speculative builder to erect more dwellings for sale or rent. Staffed by personnel trained in the real estate field and unable or unwilling to think in other terms, the only solution the Federal Housing Administration could find to the need of lowering housing costs was to build ever smaller, cheaper houses, without in any way attacking the other elements in the equation.

In fairness to the agency, it should be stated that its function as conceived by Congress during the depression was to stimulate building. This was done by insuring the lending agency against loss. The purchaser of the home was not insured and was quite incidental to the whole process. However, the Federal Housing Administration, by instituting minimum standards in house building and developing better procedures, did give the buyer some benefits. Also through longer amortization periods and lower down payments, the agency made it possible for many families who were previously unable to buy homes to do so. The dual or multiple mortgage system was stopped, and payments were made monthly instead of in the large lump sums which provided many a dramatic moment for Hollywood's earlier melodramas. Foreclosures were no longer against the home owner directly, but instead the Government paid off the lender in Government bonds and then dealt with the home owner, often helping him to refinance at better terms.

Consumers Not Organized

In the last analysis, of course, the chief difficulty has been that labor organizations, veterans' groups, and consumers in general have not had any way of controlling the organization of the home building process. For the most part these groups concerned themselves with efforts to hold the line on rent control, in spite of the fact that millions of their members had to buy homes they could not afford or live in homes not covered by rent ceilings. Only in recent years have they begun to

realize that only in building more homes can the housing shortage be met and the high costs of housing lowered, and that it is essential for them to organize as consumers of housing to protect their interests.

The Possibilities of Consumer Action

One of the ways in which it seemed as though the consumer of housing could help himself was through cooperative action. Theoretically, at least, a well-organized cooperative building society ought to be able to achieve the benefits of large-scale operations, advanced site planning, good design, and a balance between first costs and durability.

Cooperative housing in the United States has taken two forms:

1. Co-venture projects, in which the group builds cooperatively but gives title to the individual family, preferably with suitable safeguards to prevent speculation and ensure the proper upkeep of the property. This form is generally found in smaller towns and in suburban areas, where it is possible and economical to build free-standing houses at a low density.

2. Cooperative ownership projects, in which the construction and ownership are both on a cooperative basis. In these projects each member family is part owner of the entire cooperative and leases his home from the cooperative corporation, which holds permanent title to the property. This form is more likely to develop in large cities, where high density and high land costs make it necessary to use the row house or apartment building to achieve economy.

The essence of cooperative ownership is that the housing is built for the consumer and not to make a speculative profit for the builder. By its very nature the cooperative is responsible to its members and to the labor, veteran, or community organizations who sponsored it.

As a cooperative building society grows it can achieve substantially lower costs by two means: first, by increasing the scale of its operations through the use of mass production methods and rationalizing its construction processes; and, second, by a progressive advance into the cooperative ownership

of building materials factories, often jointly with consumers' and farmers' cooperatives who need similar products.

Site Planning

At the point of site planning, the cooperative is in a strategic position to utilize the most advanced and economical practices for land development. Because it is not restricted to the confines of the individual building lot, the cooperative can group its homes around park strips, playgrounds, short, dead-end streets, or in any other way which results in architecturally pleasing as well as economic site lay-outs. It can plan balanced neighborhoods with various types of houses—free-standing, row, or multiple—to meet the different needs of its membership. It can so plan its traffic flow that no street goes through the development. Because it is not trying to crowd as many lots as possible into the smallest area, it can allow generous open spaces for play and recreation, without having to increase its paving and utility costs proportionately, since it can group the houses and garages rather than have each house fronting on a traffic street.

The cooperative can reduce the cost of the money it borrows, too. Because it has a large number of dwellings covered by one mortgage, the cost to the lender of servicing the mortgage is negligible. This in turn means that the interest rate can be lowered, and is currently being used by proponents of middle income housing legislation as justification for direct Government loans at low interest rates.

Because of its stake in the long-range success of the development, a longer amortization period is justifiable for a cooperative than for ordinary home ownership. Although individual families may come and go, the structure of the organization endures and can be depended upon to protect the interests of the members even after the original founders have moved away. In this respect it has a great advantage over the ordinary neighborhood in which, after twenty or twenty-five years, the original owners have gone and the neighborhood's character

becomes increasingly marked by conversions, subtenancies, and speculative sales by absentee owners.

Cooperatives and Housing Standards

If cooperative home building were to develop along the same lines as other consumer co-ops, it is logical to look for the emergence of wholesalers in the building field. These large cooperative building companies would be consumer-controlled and would be so operated that the technical phases of building could be directed by skilled professional architects and engineers employed by the cooperative and responsible to it. With a competent technical staff, joining a co-op and buying a home in it would become as easy as ordering a builder's home from a sample is today.

Such a consumer-controlled building organization would set the standard for all private building in its price class. Many might still prefer to own their homes entirely individually, but few would pay prices for such houses which were far out of line with those offered through the local cooperative. This was the experience of the Swedish and Dutch housing co-ops. The Swedish groups are now building 20 per cent of all urban housing, and participate actively in the Government's public housing program.

U.S. Experience with Cooperative Housing

Cooperative housing is not new to the United States. Some 30,000 families in the United States are living in homes which were either built cooperatively or are now owned and managed through mutual ownership. The best known projects are in New York City, where the Amalgamated Homes stands as a landmark with twenty-five years of successful operation behind it.

The aids which the state of New York gives to cooperatives, and the backing of many prominent and public-spirited citizens, have given co-ops in New York City a more favorable growing climate than exists elsewhere in the country. Behind Amalgamated Homes were the powerful Amalgamated Cloth-

ing Workers of America under Sidney Hillman, who in turn had the whole-hearted personal and financial support of the then governor of New York, Franklin D. Roosevelt, and of Herbert Lehman. Similarly, today, a large new cooperative development, "Queensview," has Gerard Swope heading its Board of Directors, which includes Beardsley Ruml, Bernard Gimbel, David Sarnoff, Henry Morgenthau, Jr., and other impressive names.

Outside of New York, one of the few projects which has managed to secure Federal Housing Administration approval is the Detroit group sponsoring "Schoolcraft Gardens." Only by an unusual set of circumstances, in which competent technical leadership was combined with the political backing of labor and community groups, was this group able to survive some three years of delay and obstructionism on the part of the Federal Housing Administration. With the active help of the powerful Automobile Workers' Union, the group has been able to clear the necessary preliminaries and is now completing its membership lists. It is perhaps remarkable rather than discouraging to note that this and a few other groups have been able to demonstrate that in spite of all the handicaps they faced, they could provide a better housing product than the speculative builder and could do so at lower costs.

The question is then in order: Why, if housing cooperatives can make or have made so great a contribution to the solution of the housing problems of middle income families, have they been so slow to develop in the United States? Why has a technique of home building which has been so successful in such countries as Sweden, Denmark, Holland, Finland and Great Britain failed to be used in more than a handful of projects in the United States?

Problems of U.S. Housing Cooperatives: Individualism

There are a number of answers to these questions. It must be noted at the outset that we in this country are markedly individualistic in our approach to the housing problem. We

have made something of a fetish of individual home ownership. We have fostered the ideal of the ivy-clad, rose-covered cottage surrounded by a white picket fence. We have believed that each of us can individually solve his own housing problem through hard work and thrift. Until recently we have not looked for a collective approach to the solution of this or many other pressing social and economic problems. The labor movement marks our first major break with the individualistic tradition we inherited from frontier days. Although we have been much slower as consumers in organizing to protect our interests than we have been as producers, the emergence of such programs as social security, health insurance, and the consumer cooperative movement in fields other than housing, seems to show that we are moving in the direction of a greater realization that many of our problems cannot be solved by the individual alone and need social action.

Lack of Competent Leadership and Technical Help

Another obstacle has been the fact that, like any new form of organization, housing cooperatives are hard to develop. We have few precedents to go on. The housing co-ops require an enormous amount of study, discussion and planning before the first shovelful of dirt can fly. Often started by enthusiastic but inexperienced leadership, the organization soon runs into all kinds of complex technical, financial and legal difficulties, and all but the stoutest hearts grow faint.

From the experience of many groups one thing is clear: competent leadership and experienced, disinterested technical assistance are absolutely essential for the success of a cooperative housing venture. One of the greatest handicaps the movement has faced to date has been the lack of any centralized source of objective and competent advice. As a result, many mistakes have been needlessly made and many embryonic groups have died a-borning. Several attempts have been made to set up national or regional technical service agencies supported by existing or potential cooperative housing societies, but as yet

not enough funds have been available to maintain these services.

Real Estate and Federal Housing Administration Opposition

A final obstacle has been the almost unanimous opposition of the whole private building and home financing industry and, unfortunately, of the Federal Housing Administration as well. Committed to the traditional forms of home financing and the maintenance of the mortgage banking structure, these agencies have feared the unsettling effect which a successful cooperative housing movement would have on the entire top-heavy financial system which has evolved on the back of the individual "home owner." The land speculator, the builders, the banks, the insurance companies, the building and loan associations, and the real estate profession have almost to a man condemned cooperative housing as unsound, impractical, socialistic and contrary to the sacred precepts of the American home. Though the struggling cooperative movement might have survived the epithets, it could not proceed without financing, and this, with very few exceptions, it could not secure.

Spurred by the housing shortage and rising costs, nearly a hundred housing cooperatives have been organized in different sections of the country since the war, but all of them met the same obstacles and only a handful were able to survive to the building stage. Finally, in August 1948, at the insistence of veterans' organizations, Congress amended the National Housing Act to recognize cooperatives as a legitimate form of home-building activity and gave them mortgage insurance provisions similar to those granted speculative builders. The Federal Housing Administration, however, was still unenthusiastic, and made little effort to set up administrative procedures to process the applications of co-op groups, continuing to discourage any who came to the agency for advice or assistance. The intransigence of the agency was so obvious that finally labor, veteran, and cooperative groups all over the country began to demand that a separate agency, sympathetic to the needs and problems of housing cooperatives, be set up within

the Housing and Home Finance Agency but independent of the Federal Housing Administration, to help rather than hinder their development.

A Separate Administrative Agency

What do housing cooperatives in the United States need in order to be successful? First, since virtually all mortgage financing is dependent on Federal Housing Administration insurance, and since the lack of interest of that agency in co-ops arises out of its close identification with the speculative real estate interests, the Federal Housing Administration's power of life and death must be ended.

Establishment of a separate agency charged specifically with encouraging cooperative home ownership and helping groups who are attempting to build homes collectively, is an essential. The agency should perform a function similar to that of the Rural Electrification Administration, which for years has helped farmers organize and operate cooperatives to distribute electric current in areas not served by private utility companies. These co-ops are owned and operated by the consumers, but the Government gives them advice and technical assistance. Similarly, cooperative housing groups could get from such an agency competent, disinterested help in solving their various organizational, financial, legal and technical problems.

Direct Long-Term Government Loans at Low Interest Rates

Second, cooperatives must be able to secure mortgages from sources other than those which have clearly demonstrated their hostility. In every country where cooperative housing has been successful, it has been because money was available at low interest rates and for long amortization periods. Down payments should be as low as 5 per cent. At the present time, the best terms co-ops can get—if they can talk a lending institution into making the loan at all—involve 10 per cent to 20 per cent down payments and forty-year loans at 4 per cent plus $\frac{1}{2}$ per cent mortgage insurance, repayable on a declining annuity basis which, at the Federal Housing Administra-

tion's insistence, brings their monthly costs during the first, crucial years far above that of any other kind of mortgages insured by the Federal Housing Administration.

What proponents of cooperative housing are asking for are direct Government loans at interest rates no higher than the cost of the money to the Government, plus actual administrative and insurance costs. At the present time this would mean a rate of about 3 per cent. Payments should be on a level annuity basis and should be for as long a period as the particular type of project warrants—in some cases 40 years, in others 50, and under special circumstances as high as 60 years. These aids alone, without regard for any of the other savings possible through cooperative ownership and management, would reduce the monthly costs for a \$10,000 home \$25 from the charges which a co-op has to set under Federal Housing Administration's present financing.

Local Leadership

A third requirement for a successful cooperative housing movement is local leadership. Assuming a technical staff employed by the Government at the national and regional level there is still the need for a local group to initiate projects in a given community. Professional and technical people can be of the greatest assistance through the organization of a non-profit association to carry on an educational program in the possibilities of cooperative home ownership. Social workers, ministers, teachers, doctors, accountants, lawyers, architects, engineers, government officials and many others have skills and experience which are needed. Leaders in labor, veterans' church, women's and other civic organizations can study the community's needs for housing in the middle income level and formulate a program for meeting them. Such a group can take the lead in sponsoring specific projects, giving advice and assistance to persons who become interested in actually forming a group to build a specific project. This is something like the Swedish system, where in each town a "parent society

helps the individual "daughter societies" buy land, make their plans, and arrange for construction of the development.

Finally, if these possibilities are to become realities, there must be vigorous and effective local leadership to see to it that whatever Federal measures are enacted are taken advantage of by those for whose benefit they were intended. No one has more at stake in the future of middle income housing legislation than the middle income groups themselves. Here is a rare opportunity to show those who have lost faith in the democratic process what people can do to help themselves through democratic action. By utilizing our great technical resources, our organizational ability, and our own local leadership, we in the middle income groups can play our part in the process of realizing the goal of "a decent home and a suitable living environment for every American family."

Legislation for Cooperative Housing

Thomas B. Keehn

A flurry of excitement on housing legislation occurred toward the end of the first session of the 81st Congress in October. One housing bill, the Housing Act of 1949, had become Public Law 171 on July 15. This was probably the most important piece of social legislation enacted in recent years. It provided for low-rent public housing, slum clearance, aid to farm housing and housing research.* But suddenly, as the weary Congressmen neared the end of their ten-month ordeal, another housing bill began to move through the legislative process.

It sounded innocent enough: "Amendments of the National

*Write to the Director of Group Services, Office of the Administrator, Housing and Home Finance Agency, Washington 25, D.C., for a free copy of the pamphlet, "The Local Community Job Under the Housing Act of 1949."

Housing Act." It provided for changes in the Federal Housing Administration's insurance program for housing well-to-do families; for amendments to the Veteran Administration's housing program for servicemen; for the disposition of permanent and temporary war housing units; for educational institutions; and—here's the surprise—it provided a program of cooperative housing for middle income families.

This bill—H.R. 6070—was considered by the House Banking and Currency Committee. It was whittled down during committee hearings. Then it was approved for floor debate, and after the smoke had cleared, the bill was passed, *minus* the program of cooperative housing for middle income housing and other important features.

The Sparkman Bill

In the meantime, the Senate Banking and Currency Committee considered and approved S. 2246, introduced by Senator John Sparkman. It was similar to H.R. 6070 before the House Banking and Currency Committee and the House itself mutilated it. By the time S.2246 reached the Senate calendar, pressure of other business and limited time made favorable action doubtful. (Some of the Senators interested in the bill were anxious to get off to Sweden to study cooperative housing!) Therefore, the sponsors of the bill did not move to bring it up for debate at this session.*

S. 2246 will be one of the early bills to be considered by the Senate in the second session of the 81st Congress which will begin in January, 1950. Some amendments will undoubtedly be proposed. If approved by the Senate, it will go to a Conference where House members will sponsor the trimmed-down H.R. 6070 and Senators will support S. 2246.

Just what is provided for by S. 2246—the most promising effort to encourage cooperative housing for middle income families ever considered by the Congress of the United States?

*A minor housing bill was introduced at the last minute and received both Senate and House approval.

Main Principles and Features of the Bill

The three main principles of this solution to the problem of housing for middle income families are:

1. Cooperative organization of groups for planning and development of housing projects.
2. Low-cost loans from a government agency established to encourage this kind of housing.
3. A program designed to promote integrated residential neighborhoods with sound leadership and democratic procedures in dealing with matters involving the community.

Major features of S. 2246 are:

1. A *Cooperative Housing Administration* would be set up as a constituent agency within the Housing and Home Finance Administration.

2. This agency would assist in the formulation of cooperative housing projects by providing *technical assistance* which would encourage them to get started and enable them to qualify for federal loans.

3. The Cooperative Housing Administration would grant *direct federal loans* to qualifying cooperative housing groups and non-profit corporations. Five hundred million dollars would be made available for loans. The amount of outstanding loans might be increased beyond this figure by the approval of the President to a sum not in excess of one billion dollars. Specific loans to any one project would not exceed the development cost of the project and would bear the going rate of interest for the Federal government (at present $2\frac{1}{2}$ per cent), plus $\frac{1}{2}$ per cent.*

4. The *amortization period* would, in some cases, be 60 years, and in no case would it exceed the estimated life of the project. To qualify for a loan, a borrower must demonstrate that the proposed project will be located in a reasonably stable neighborhood and that the dwellings are of sound standard of design, construction and size for adequate family life.

5. Rental projects must be made available at lower rental than that of privately financed rental housing in the locality and must

*This 3 per cent interest rate on the direct federal loans rather than the usual 5 per cent rate on commercial loans would reduce the cost of a \$10,000 mortgage by \$3,000.

meet a need for middle income families that is not otherwise met. Every economy in construction and production costs as well as operation and maintenance costs must be reflected in lower rents. In the case of individual houses built for cooperative ownership, occupancy would be limited to members of the cooperative.

6. To prevent under-cutting of *wage standards* in developments where federal loans have been made, each contract will carry a provision requiring the payment of salary rates which are not less than those prevailing in the locality.

7. The government will assure the operation of the completed projects for the purpose intended in several ways. Although the borrower will establish maximum income limits for admission, any revisions will be subject to the approval of the government agency. Initial schedules and succeeding revisions will be subject to prior approval of the housing administrator. The Cooperative Housing Commissioner may enter into any type of legal action necessary to enforce any provision of the law as a whole and or any specific contract agreements. Under certain conditions, the commissioner may take over a project, run it directly, or dispose of whole or part of the project. None of these actions, however, may run counter to state and local laws. Property acquired in this process by the federal government will continue to yield revenue to the states or communities if it has been subject to taxation before government acquisition.

8. One new and unique feature of Title III, the Cooperative Housing section of S. 2246, is what some people have called the "prayer." This is a section of the statement of purpose which relates to the administration of the program. It reads:

The provisions of this title relating to encouraging and assisting non-profit cooperative ownership housing corporations shall be administered in a manner which will encourage and assist the association of persons into such cooperatives who (by reason of their like interests, associations together in other fields, or otherwise) will contribute to the sound integral character and success of such cooperatives, provide necessary leadership therein, involve democratic voting principles, and avoid any speculative use of such cooperatives.

In the long pull, this plea to bureaucrats and cooperative groups may make the difference in the success or failure of cooperative housing projects.

Here is a program of promise for middle income families:

to help them obtain decent housing. Veterans, church groups, labor organizations and others have already indicated great interest in it. Some groups, particularly veterans, as Donald and Astrid Monson indicate, have tried cooperative housing and found the going tough. The assistance and encouragement provided by S. 2246 are the *sine qua non* of a successful cooperative housing program. It is more than a new technique for building a house. It is a program for housing—for planning, financing, building—with a concern for the community.

The months ahead, while Representatives and Senators are back home between sessions of Congress and just after they return to Washington in January, 1950, are critical ones for cooperative housing. S. 2246 provides a good opportunity for Christians to be effective citizens.

How Chicago Congregationalists Fight for Better Housing

Francis W. McPeck

Congregational Christian organizations are going down the line this year on Chicago's slums. They mean business.

Local denominational bodies have recently formed a "Congregational Housing and Redevelopment Committee." Its twin aims are to keep the facts of Chicago's enormous housing problem before the denomination's 43,000 metropolitan members, and to swing church support behind concrete proposals for improvements.

Why Christians Work for Better Housing

Why this is being done—and how—makes an interesting story. As to the why, no one yet has put it more briefly or bluntly than Dr. Niel Hansen. "Chicago's slums *must* be destroyed," he says. "Every place of human habitation *must* be made fit to be a Christian home."

Hansen is general director of the powerful Chicago Congregational Union. The Union's principal, though certainly not exclusive, purpose is to aid new-born and ailing churches. For these purposes it is entrusted with large sums. The board management is, as you might well expect, highly prudential.

But there is nothing prudential in getting mixed up in Chicago's housing war. While slums rot and families frantically search for shelter, a bitter fight goes on between financial and housing interests, the unions, political and racial groups. It is a fratricidal, unholy free-for-all. Under the circumstances, a lot of good church members might sharply question the wisdom of a church agency's becoming involved. Members of the Congregational Union's board do not. Over a year ago they voted to establish what is, in effect, a department of housing affairs, appropriated money for it, and hired a staff member to dig in and find out what was going on.

A. H. Gunn, member of the Congregational Union board and vice-president of a nationally known advertising firm, becomes most emphatic when he discusses the responsibility of the churches. "The lack of good housing in this city," he says, "is the most urgent moral issue we all face. Thousands of families lack decent shelter and surroundings. What right has the church to sit silently on the side lines?"

The Special Contribution of Churches

Mr. Gunn thinks church agencies can do something that other organizations in the housing and redevelopment field cannot. "The churches don't have any axes to grind," he explains. "Everyone knows this. Sometimes these other groups get so out of sorts with one another they won't sit down and talk things over. Maybe this is precisely the point at which the church can help—by bringing them together under friendly circumstances where discussion is more the objective than argument. I want to make it clear," he adds, "that those of us on the Congregational Union's special housing committee don't consider ourselves housing experts. We don't know the an-

swers. But perhaps we can act as a catalytic agent among the forces which do."

Church Experience in Blighted Areas

The Congregational Union has had years of church experience in blighted areas to back up its judgment that shelter shortage is the city's most devastating enemy of wholesome family and civic life. A matter of particular concern to it has been the mid-west central area, which begins just west of the business Loop.

Here lies an odoriferous skid-row, so foul that even a scrubbed-up series of newspaper articles about it last summer gave teetotalling citizens the shakes. Moving further westward, the scene becomes a dreary wasteland of tenements and



Congregational Union board members, A. H. Gunn, advertising executive and member of Evanston First Congregational Church, and Harold T. Moore, manufacturer and member of Hinsdale Union Church, discuss with Mr. Robson a next step in securing better housing in Chicago. Others on the Community Rebuilding Committee are Stanley Simpson, Roy K. Thomas, bank executive and member of the Hinsdale Union Church, Dr. Ray Freeman Jenney, pastor of Bryn Mawr Community Church, and Dr. Samuel Kincheloe, Professor of Sociology of Religion at Chicago Theological Seminary.

rickety frame structures, occasionally relieved by brick buildings whose exteriors seem reasonably well kept. Even most of these are deceptive. Listed as "rooming houses" or "apartments," they have crammed into them thousands of men, women and children who lack both space and elemental privacy required for family life.

As the reminders of once prosperous days, here and there stand stone or brick churches with architecture reminiscent of the 19th century. Devoted pastoral work is still carried on in a few. For example, one of the city's best loved younger ministers, the Reverend Julian Keiser, this year's chairman of the Chicago Council for Social Action, holds the pulpit of Warren Avenue Congregational Church. Led by official boards with rare understanding and tact, this church has met racial changes in the neighborhood in a spirit of sincere Christian fellowship. Sunday morning congregations accurately reflect the fact that vast numbers of Negro families have moved into the area, and that they have been welcomed to take—and have accepted—responsibility for a new church home.

Race Prejudice a Block to Better Housing

In a violently race-ridden city such as Chicago this wholesome and continuing religious fellowship and ministry stand as a landmark challenge to yet other church boards apparently more animated by property and social considerations than by the love of God. As more than one informed housing expert will tell you, the major block to a humane housing and redevelopment program is nothing more or less than racial prejudice. Certain real estate and political interests daily cultivate the superstition that the word "blight" is synonymous with the word "Negro." Mob actions of the most lawless and inexcusable sort are a consequence. One episode last summer required the presence of 500 police for the better part of a week to protect the right of Negro citizens to purchase and occupy a house.

Mr. Gunn—to quote him again—grows doubly emphatic when he touches on this point. "The core of Chicago's housing problem is race prejudice. By reducing and eliminating it, Christians can do more toward the solution of the shelter problem than by doing anything else. It's the hardest job we've got."

Good Staff Leadership Makes for Success

Handling day-by-day details for the Congregational Union, as well as aiding other Congregational organizations, is F. Adrian Robson, now completing his first year as staff member. Robson's background for the job is almost ideal. After graduating from the college of Wooster, he undertook social work studies at the University of Pittsburgh and at the New York School for Social Work. Depression days saw him at work as a relief investigator, with abundant opportunity to study the effects of substandard housing on family life. Since then he has made his living as a union musician; he has been program director of one settlement house and executive director of another. More recently he has been engaged in public relations and in the community newspaper publishing business. Now thirty-seven years old, these various experiences have given him a clear and warm insight into the personal and family problems of city people.

When, a year ago, he was invited to join the Congregational Union's staff, he was, as he promptly admits, devoid of technical knowledge on problems of urban planning and housing. The Union felt this was no embarrassment, since they were not interested in securing the services of a housing technician. Primarily what they wanted was someone who knows how to work cooperatively with people. Robson fills the bill.

How United Action Became Possible in Chicago

During his first weeks, Robson called assiduously at offices of labor, veteran, racial, fraternal and women's organizations. He made it a point to become personally acquainted with dozens of officials of public housing and planning authorities,

of civic housing groups, and of Chicago's Federation of Churches. In the course of this leg-work he not only picked up important information, but also friends as eager as he to get housing results.

Therefore it is not odd that when, last May, some 35 community organizations wanted to stage a "housing action conference," Robson was unanimously chosen as the general chairman. The job was not honorific; Robson was simply there and willing. He spent weeks on details; many of them involved settling personal and organizational antagonisms—one of the things that has for years stymied united action in ridding Chicago of slums. As one mark of his success, a majority of the local organizations concerned about housing did turn up at the conference. Once there, they managed speedily to hammer out agreements on legislative proposals needed to get the city moving on housing.

Later on, when hold-out groups had had an opportunity to study the results of the conference, an even greater degree of unanimity was secured. Private meetings with the dissidents resulted in a fundamental meeting of minds.

Political Strategy

The letter which was sent to Mayor Martin Kennelly strengthened his hand when shortly thereafter he made an urgent plea to the state legislature at Springfield for laws enabling Chicago to cut in on the new Federal housing law and appropriations. A few days later, on July 13, he met with a delegation from the "housing action conference" and heard their further explicit ideas on what city hall and city agencies might do to speed up the rehousing process.

No doubt the Mayor was pleased to note that the political power represented by the delegation was impressive. Robson's explanation of his own part in the proceeding is modest and enlightening. "All I did," he says, "was to arrange for a meet-

ing with the Mayor and to introduce the members of the delegation to him. They did the talking."

Coordination on a Denominational Level

Meantime, members of the Chicago Council for Social Action of the Congregational Christian Churches had reached an important conclusion: if it is necessary to bring all community groups together for effective city-wide action, does not the same thing hold true for denominational organizations? Why not form a "Congregational Housing and Redevelopment Committee" which would unify representatives of other Congregational bodies who are facing the same tragic housing



Lee Olsen

Social Action Committee members map housing fight in Chicago. Seated left to right: Bert H. Boerner, Avalon Park Congregational Church; Mrs. Robert J. Stein, Jefferson Park Congregational Church; the Rev. Julian Keiser, pastor of Warren Avenue Congregational Church and Chairman of the Committee. Standing left to right: F. Adrian Robson, staff member of Chicago Congregational Union; the Rev. Truman A. Morrison, pastor of Maywood Plymouth Congregational Church; Alvin Harrison, Church of the Good Shepherd.

facts. The members of the Council found the denominational agencies ready to pool knowledge, time and efforts so that they could do a better educational job in the local churches.

Key Facts on Chicago Housing

The information they wanted to get across to adult church members was pointed and specific. Chicago has traditionally depended upon multiple housing structures for family dwellings. But last year it ranked forty-third among cities with population over 100,000 in new construction of these multiple dwelling buildings. The national home building rate is four times that of Chicago's. To reach the national level, the city ought to be building around 25,000 dwelling units per year. Actually it has averaged somewhere between 5,000 and 6,000. Since at least that number of homes either fall down annually through sheer age, or burn down, or become hopelessly substandard, the total housing inventory tends to remain stationary year after year.

Population growth exercises a steady and increasing pressure on the available housing. Two hundred and fifty-six thousand persons have been added to the city's census since 1940, and it is estimated that there are 100,000 more families than dwelling units. One hundred and fifty thousand of the existing units are rated as unfit for human habitation, though occupied.

There is no sensible reason why such a situation should be tolerated. In the city proper there are 20 square miles of vacant lots on which homes can be built. Construction trades are well manned and building efficiency is reported higher than in recent years. Private capital is available, to say nothing of state and federal funds.

Forces Working Against Improved Housing

The nonsensical reasons for the delay are plain. Racial intolerance, previously mentioned, is a major obstacle. Another is Chicago's ancient building code which should have disappeared

with gas lights and horse cars. While some short-sighted craft unionists fondly protect this relic, builders and civic groups press for a new code which could reduce the minimum cost of a new home in the city from \$12,000 to \$8,000. The intransigence of the unions, however, is more than matched by the fierce greed of the slum racketeers and some real estate and financial interests. Through combined opposition to reform and blind faith in the scarcity market, they have all but forced building to a stand-still. Housing economists estimated in 1948 that for a family to purchase a new five-room house with assurance and safety, a minimum annual income of over \$6,200 would be required. Even in that boom year, however, 60 per cent of Chicago's families were making less than \$4,500. So doubling and redoubling of families under the same roof continues, and the flow of dollars from the slums remains unabated.

Creating an Aggressive Public Opinion

The misery of the slums and the rapidly spreading physical deterioration of the city can be checked only by a major redevelopment and building program. "We have to depend upon private and public agencies to provide the technical plans," says Stanley Simpson, sales engineer and chairman of the Congregational Union's housing activities. "But just to have those plans presented is not enough. They have to be backed by an informed and aggressive public opinion. To help create that opinion, and to focus it at strategic times, is surely one of our Christian responsibilities."

The Reverend Dr. Ray Jenney, pastor of Bryn Mawr Community Church and long-time leader in the fight for better housing, sums up the judgment of Chicago's Congregational leadership when he remarked the other day, "It isn't any good to say that the slums are a problem only to those who live in them. They are our problem, too. They are reminders of our sinful indifference to the welfare of families. Chicago isn't going any place until Chicago Christians get housing on their hearts and consciences. That's where we're going to put it."

On To Action

There are several kinds of housing problems and the extremity of need establishes a rough measure of moral priority. So a pastor in Seattle, Washington writes, "Had a grand housing hearing. The Council of Churches is strong for getting a Federal loan to erect desperately needed public housing." Another pastor in Poughkeepsie, New York tells about his tireless efforts as Chairman of the Housing Authority, to secure a housing project in his city. The Chicago Congregational Union, as this issue describes, places public housing high in priority. We know that good housing reduces fire hazards, juvenile delinquency and generally raises health standards. Slums are too costly for any country; a serious blot upon any Christian community.

The Housing Act of 1949 provides federal assistance to communities ready and willing to act. As the Administrator, Raymond M. Foley, writes, "The program will largely succeed or fail in ratio to the skill and wisdom with which it is carried out in local communities." Here is a number one job for committees of social action. Write to the Director of Group Services, Office of the Administrator, Housing and Home Finance Agency, Washington 25, D.C., for a free copy of the pamphlet, "The Local Community Job Under the Housing Act of 1949." This is action where you live—nearby, immediate and imperative.

Another high priority is to provide housing in this country for Displaced Persons. Only half of the 205,000 people permitted to enter the United States under current legislation have been placed in two-thirds of the time allowed. The response of the churches is heartening. The social action committee in Albuquerque, New Mexico secured fifty assurances in three summer months. With such effort in the next month the churches will secure enough assurances to bring the second hundred thousand.

After housing for others comes housing for ourselves. We of the middle income group have many resources to bring to bear on our problem. This issue of SOCIAL ACTION analyzes the problem and points to solutions. Part of them are legislative. Part depend upon cooperative organization. All of them lie in the area of social action. Certainly housing is high, if not highest among the present priorities for Christian Social Action.

Ray Gibbons